

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7466

Investigation into Petition Filed by Vermont Department)
of Public Service Re: Energy Efficiency Utility Structure)

Order entered: 10/6/2010

**ORDER CHANGING REASSIGNMENT OF CERTAIN
CONTRACT ADMINISTRATOR RESPONSIBILITIES**

I. INTRODUCTION

Our June 25, 2010, Order ("June 25 Order") in this proceeding recognized that certain functions performed at that time by the Contract Administrator will continue to need to be performed in an Order of Appointment model. Our June 25 Order determined, among other items, how those functions should be reassigned.¹ These reassignments were shown in Appendix A to that Order.

In today's Order, we clarify or change the assignment of the following four functions:

(1) item number 5 on page A-3 — Authorize reimbursement for distribution utilities' advertising and collectibles, Board Energy Efficiency Charge ("EEC") change advertising, independent Energy Efficiency Utility ("EEU") Fund Audit, and Green Mountain Power Corporation Forward Capacity Market payments;

(2) item number 11 on page A-3 — Review and approve monthly EEU (City of Burlington Electric Department ("BED") and Vermont Energy Investment Corporation ("VEIC")) invoices;

(3) item number 4 on page A-3 — Assist Fiscal Agent by providing yearly EEU budgets, estimates of monthly distribution utility ("DU") remittances, review annual changes in DU remittance forms, assist in DU communication, facilitate lost or missed payments; and

(4) item number 16 on page A-4 — Proof [Fiscal Agent] monthly statement with Bank statement as required by EEU Fund Audit.

1. Order of 6/25/10 at 47 (Order paragraph 9), and Appendix A.

For the reasons set forth below, these four functions will now be performed by the Vermont Department of Public Service ("DPS"), although the Public Service Board ("Board") will retain ultimate authority for approving invoices and will resolve any disputes regarding them.

II. PROCEDURAL HISTORY

Our June 25 Order directed Board staff to engage in discussions outside of Docket 7466 with the DPS, the EEU Fund Fiscal Agent, the Contract Administrator, and the current EEUs regarding the details of the process for invoice approval.² As a result of those discussions, it appeared that it would be appropriate to clarify or change the assignment of the four functions listed above.

On September 2, 2010, the Board sent the parties to this Docket a memorandum describing the four clarifications and changes, and providing all parties with an opportunity to file comments on the proposed changes.

On September 16, 2010, Vermont Energy Investment Corporation ("VEIC"), the entity currently serving as Efficiency Vermont, filed a letter supporting the proposed clarifications and changes.

On September 17, 2010, International Business Machines Corporation ("IBM") filed a letter supporting the proposed changes to the assignment of invoice review and approval (items number 5 and 11 on page A-3). IBM did not comment on the other two proposed clarifications and changes.

III. DISCUSSION AND CONCLUSION

Changing the EEU structure to an Order of Appointment model is a complex undertaking. It is to be expected that, as parties' discussions become increasingly detailed, they will identify areas in which their original recommendations, or our original decisions, could be improved. Some such areas for improvement were identified during the administrative discussions held outside of this Docket regarding the invoice review and approval process. These discussions also helped parties better understand the relationships among the various tasks involving coordination

2. Order of 6/25/10 at 47 (Order paragraph 10).

with the Fiscal Agent. As a result, we conclude that it is appropriate to change the reassignment of certain former Contract Administrator responsibilities as described below.

While the Board has the ultimate authority with respect to approval of invoices for payment by the EEU Fund Fiscal Agent, in the invoicing discussions the parties decided it would be consistent with the DPS's regulatory role for it to review and approve for payment by the EEU Fund Fiscal Agent all invoices except its own (which the Board will review and approve for payment). The Board would resolve any disputes regarding whether an invoice (or a portion of an invoice) should be paid. Consistent with this principle, item numbers 5 and 11 on page A-3, both of which involve invoice review and approval, should be assigned in the same manner. Specifically, while the Board has the ultimate authority, the DPS will review and approve the invoices listed in items 5 and 11, with the Board involved only if disputes arise.

Because of the DPS's long-standing role in calculating the EEC rates and in reviewing EEU reporting formats, it is appropriate for the DPS to also perform item number 4 on page A-3, which involves various tasks related to assisting the EEU Fund Fiscal Agent.

Finally, because it is consistent with the DPS's regulatory role for it to perform most of the detailed coordination with the Fiscal Agent, it is appropriate for the DPS to also perform item number 16 on page A-4, which involves proofing the Fiscal Agent's monthly statement with the EEU Fund bank statement.

To help parties keep track of how the Contract Administrator's former responsibilities have been reassigned, we have revised Appendix A from our June 25 Order consistent with our decision today, and attached it to this Order as Appendix A.

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The June 25, 2010, Order in this Docket is modified such that the following four functions will be performed by the Vermont Department of Public Service, although the Public Service Board ("Board") will retain ultimate authority for approving invoices and will resolve any disputes regarding them:

(a) item number 5 on page A-3 — Authorize reimbursement for distribution utilities' advertising and collectibles, Board Energy Efficiency Charge ("EEC") change advertising, independent Energy Efficiency Utility ("EEU") Fund Audit, and Green Mountain Power Corporation Forward Capacity Market payments;

(b) item number 11 on page A-3 — Review and approve monthly EEU (City of Burlington Electric Department and Vermont Energy Investment Corporation) invoices;

(c) item number 4 on page A-3 — Assist Fiscal Agent by providing yearly EEU budgets, estimates of monthly distribution utility ("DU") remittances, review annual changes in DU remittance forms, assist in DU communication, facilitate lost or missed payments; and

(d) item number 16 on page A-4 — Proof [Fiscal Agent] monthly statement with Bank statement as required by EEU Fund Audit.

2. Appendix A to the June 25, 2010, Order is revised to incorporate the modifications in Paragraph 1, above. Appendix A, as revised, is attached hereto.

3. This Docket is remanded to the Hearing Officer for further proceedings.

Dated at Montpelier, Vermont, this 6th day of October, 2010.

<u>s/ James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/ David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/ John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: October 6, 2010

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.